

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
WORKFORCE DEVELOPMENT BILL)

A BILL FOR

1 An Act relating to unemployment insurance benefit eligibility
2 requirements and periods for calculating employer
3 contribution rates and including effective date and
4 applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DRAFT

1 Section 1. Section 96.4, subsection 4, paragraph c, Code
2 2011, is amended to read as follows:

3 c. If the individual has drawn benefits in any benefit year,
4 the individual must during or subsequent to that year, work
5 in and be paid wages for insured work totaling at least ~~two~~
6 ~~hundred-fifty~~ one thousand five hundred dollars, as a condition
7 to receive benefits in the next benefit year.

8 Sec. 2. Section 96.4, Code 2011, is amended by adding the
9 following new subsection:

10 NEW SUBSECTION. 8. The individual has satisfied one
11 one-week waiting period during the individual's benefit year.
12 To satisfy the one-week waiting period, the individual, with
13 respect to the week in question, must meet all of the following
14 conditions:

15 a. Must be unemployed.

16 b. Must have filed a claim for benefits in accordance with
17 section 96.6, subsection 1.

18 c. Must be eligible for benefits from this state and would
19 receive benefits after deductions from this state but for the
20 waiting period; must not receive benefits from this or any
21 other state; and must not be eligible for benefits from any
22 other state.

23 Sec. 3. Section 96.7, subsection 2, paragraph c,
24 subparagraphs (1) through (3), Code 2011, are amended to read
25 as follows:

26 (1) A nonconstruction contributory employer newly subject
27 to this chapter shall pay contributions at the rate specified
28 in the twelfth benefit ratio rank but not less than one percent
29 until the end of the calendar year in which the employer's
30 account has been chargeable with benefits for ~~twelve~~ four
31 consecutive calendar quarters immediately preceding the
32 computation date.

33 (2) A construction contributory employer, as defined under
34 rules adopted by the department, which is newly subject to this
35 chapter shall pay contributions at the rate specified in the

1 twenty-first benefit ratio rank until the end of the calendar
2 year in which the employer's account has been chargeable
3 with benefits for ~~twelve~~ four consecutive calendar quarters
4 immediately preceding the computation date.

5 (3) Thereafter, the employer's contribution rate shall be
6 determined in accordance with paragraph "d", except that the
7 employer's average annual taxable payroll and benefit ratio
8 may be computed, as determined by the department, for less
9 than ~~five~~ three periods of four consecutive calendar quarters
10 immediately preceding the computation date.

11 Sec. 4. Section 96.7, subsection 2, paragraph d,
12 subparagraph (2), unnumbered paragraph 3, Code 2011, is amended
13 to read as follows:

14 "*Benefit ratio*" means a number computed to six decimal places
15 on July 1 of each year obtained by dividing the average of all
16 benefits charged to an employer during the ~~five~~ three periods
17 of four consecutive calendar quarters immediately preceding
18 the computation date by the employer's average annual taxable
19 payroll.

20 Sec. 5. Section 96.19, subsection 2, Code 2011, is amended
21 to read as follows:

22 2. "*Average annual taxable payroll*" means the average of the
23 total amount of taxable wages paid by an employer for insured
24 work during the ~~five~~ three periods of four consecutive calendar
25 quarters immediately preceding the computation date.

26 Sec. 6. EFFECTIVE DATE. This Act takes effect July 1, 2012.

27 Sec. 7. APPLICABILITY. This Act applies to unemployment
28 insurance benefit claims with an effective date on or after
29 July 1, 2012.

30 EXPLANATION

31 This bill requires an individual who has drawn unemployment
32 insurance benefits to earn wages for insured work totaling
33 at least \$1,500 before the individual can be eligible for
34 unemployment insurance benefits in a subsequent benefit year.
35 Under current law, such an individual must earn \$250.

1 The bill requires an individual to satisfy a one-week
2 waiting period during the individual's benefit year in order
3 to receive unemployment insurance benefits. The bill requires
4 that, regarding the week in question, the individual must be
5 unemployed, must have filed a claim for benefits in accordance
6 with Code section 96.6(1), must be eligible for benefits after
7 deductions in the state of Iowa but for the waiting period,
8 must not receive benefits from the state of Iowa or any other
9 state, and must not be eligible for benefits from any other
10 state.

11 The bill reduces the time period during which construction
12 and nonconstruction employers are subject to the contribution
13 rate for new employers for unemployment insurance from three
14 years to one year. The bill reduces the years of experience
15 used to calculate the benefit ratio for an employer's
16 contribution rate from five to three.

17 The bill takes effect July 1, 2012, and applies to
18 unemployment insurance benefit claims with an effective date on
19 or after July 1, 2012.